

# Project Worksheets & Cost Eligibility



Pierce and Lewis Counties – November 2006

# General Program Eligibility



# Public Assistance Team

- Team Assigned to Applicant
  - **State Public Assistance Coordinator (PAC)** – Your long term point of contact – from the beginning to the end of the grant
  - FEMA PAC
    - Project Specialists
    - Mitigation Specialists
    - Environmental/Historical Specialists
  - Additional FEMA Specialists
    - Insurance Specialist
    - Geotech Specialists
    - Cost Estimators
  - State PA Program Assistant – grant documentation, payments, insurance requirements

# Project Specialists & PACs

- Documentation to Project Specialists for PWs
  - The amount of time it takes to provide the Project Specialist with documentation directly affects how long it will be until an applicant receives funding
  - FEMA Project Specialists work with multiple applicants to write PWs
- State PAC is the primary point of contact once all PWs are written and also for:
  - Programmatic issues (Environmental, Historic, Insurance)
  - Scope of Work changes, Time Extensions and Appeals
  - Plans, Specifications & Engineer Estimates and Bid Tabulation reviews
  - Improved Project and Alternate Project requests
  - Pre-construction meetings and construction monitoring
  - Final inspection review
  - State or Federal Audits
  - Grant closeout

# PW Formulation

- Prioritized list of projects
- Timelines for completion
- Damage descriptions & dimensions
- Scope of work – What will it take to put it back?
- Estimates
- Forms
- Supporting documentation

# Cost Eligibility

- Reasonable and necessary cost to accomplish eligible work
- Complies with federal, state, and local laws and regulations
- Credits - Insurance proceeds, salvage value, purchase discounts must be deducted
- Must be a minimum of \$1,000

# Eligible Costs

- Salaries, wages and fringe benefits
  - Emergency work – overtime only
  - Permanent work – regular and overtime
- Materials / supplies
- Applicant owned equipment (hourly rates)
  - FEMA rates or applicant rates, whichever is lower
- Contract costs incurred for:
  - Eligible work
  - Rental equipment
  - Engineering & design services
  - Specialty services (environmental, geotechnical, hydraulic)

# Mutual Aid Agreements

- Agreements need to identify the details of reimbursable costs (labor , fringe, equipment rates, etc.)
- Costs should be reasonable and consistently applied.
- Costs should be tracked by County
- Work should be monitored.



# Donated Resources

- Who worked, hours worked, on what days, and what did they do? (Who, what, where, when and why)
- Materials – invoice for donated resource
- Salary schedule – to support hourly rates to be recognized
- Credit against non-federal share for Category A and B work



Skagit County – November 2006

# PW Review Process

- PWs submitted for review
  - Public Assistance Coordinators
  - QA/QC
  - Environmental
  - Historical
  - Floodplain
  - Insurance
  - Mitigation
  - Final – FEMA & State



Kittitas County – January 2009

# Small Projects – Less Than \$66,400

- Funding can be paid when projects are approved.
- Work does not have to be completed prior to payment.
- Requires signed A-19 Invoice Voucher
- Work is certified as complete on Small Project Certification Form within 60 days following completion

# Large Projects – More Than \$66,400

- Progress payments as work is completed
- 10% retainage held from the Federal & State shares
- Final eligible costs based upon documented actual costs
- Certified as complete on Statement of Documentation form – due within 60 days of physical completion and pay out of final retainage
- Final inspection and financial review is conducted
- FEMA reviews and concurs with State Final Inspection
- State pays out retainage and any added funding based on the Final Inspection

# Project Documentation

- Items to maintain:
  - Mutual Aid Agreements
  - Collective Bargaining Agreements
  - Human Resource Policies
  - EOC Logs, Job Site Logs, Inventory Logs
  - Contract Logs, Purchasing Logs
  - Contracts & Consultant Agreements (change orders)
  - Emergency Proclamation (if applicable)
  - Insurance Policies
  - Volunteer sign-in sheets for donated resources



# Procurement & Contracting

Maintaining Eligibility for FEMA Funding



Yakima County – October 2009

# Federal Procurement Requirements

- Follow most restrictive of local, state, & federal laws
- Perform cost analysis for every procurement action
- Clearly show rationale for method of procurement, selection of contract type, adequate competition, and price basis
- Must have full and open competition

***Make sure all parties know that the contract involves federal funds***

# Federal Contracting Standards

- Must maintain records in sufficient detail to reflect history of procurement, including rationale for the method of procurement, the basis of contractor selection, and the basis for the contract price
- Prohibited from using Time and Materials contracts unless there is no other contract suitable and the contract includes a ceiling price that the contractor exceeds at its own risk
- **Prohibited** from using a Cost plus Percentage of Cost contract arrangement



# Federal Audit Findings & Issues

- Noncompetitive contracts continuing after emergency periods
- No cost or price analysis for noncompetitive contracts
- Use of inappropriate contracts – Cost plus Percentage of Cost, Verbal, and Time & Materials
- Poor contract monitoring
- Absence of procurement history (documentation)
- Unreasonable contract prices
- Failure to ensure compliance with federal contract provisions
- Lack of Internal Controls (contract administration)

# Costs & Reasonable Reimbursement

- Normal procedures must not be altered because of the potential for reimbursement from Federal funds
- Reasonableness Criteria
  - Must be fair and equitable
  - Applicable to type of work
  - “Prudent” person decision
  - Is cost ordinary and necessary for facility and type of work?
  - Were actions taken in prudent manner?
- Reasonable costs can be established through
  - Historical documentation for similar work
  - Average costs for similar work in the area
  - Published unit costs (RS Means)
  - FEMA cost codes

# Emergency Contracting

- Emergency Proclamation must waive the competitive bid process and be in place prior to signing any contracts
- Document all actions
- Ensure Cost Analysis is performed
- Get your contracting office involved ahead of time
- Follow up within a short period with open, competitive process

# Time & Materials Contracts

- State guidelines must be followed
- Accepted only in very limited situations
- Generally not more than 70 hours for work that is necessary immediately after a disaster when a clear scope of work cannot be developed
- Requirements
  - Must have a written scope
  - Must have a cost ceiling or “not to exceed” provision
  - Strict monitoring & documentation of expenses
  - Cost must be reasonable & work must be approved and within the scope
  - Prescribed duration for emergency work only